

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-01-0320-0880

ELECTIONS: UNIT B-31  
(herein "Subject Drilling Unit")**REPORT OF BOARD****FINDINGS AND ORDER**

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously entered in the captioned matter on October 2, 2001 which was recorded at Deed Book 531, Page 426 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on October 4, 2001 (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed Consol Energy Inc. (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the interests and claims, if any, requiring escrow; identifies the Respondents, if any who have entered into royalty split agreements; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections' indicates that the escrow of funds is required with regard to Unit B-31;

That by letter dated December 10, 2001, Donald R. Johnson Esquire, Counsel for Fon B. Rogers II, Trustee of the Lon B. Rogers Bradshaw Trust #1 and Trustee of the Lon B. Rogers Bradshaw Trust #2, posed the following objections to the Board Order:

- a. That while the Lon B. Rogers Bradshaw Trust No. 2, as the coal owner of Tract 2, admits that it leased the "deep coal" below the Jawbone Seam to Island Creek Coal Company, said trust denies that said lease could by its terms be assigned to Reserve Coal Properties Company without Lessor's consent;
- b. That the interests of Ashland Exploration, Inc., as oil and gas lessee of "Tract 2" have been acquired by Equitable Production/Eastern States; and
- c. That the Tract Identification Sheets and Exhibits B-3, E and EE of the Board Order incorrectly show interests in "Lon B. Rogers, II", when in fact they should reflect

that any such coal interests are held by Fon Rogers, II, Trustee of the Lon B. Rogers Bradshaw Trust #2, P. O. Box 22427, Lexington, KY 40522 and that any such oil and gas interests are held by Fon Rogers, II, Trustee of the Lon B. Rogers Bradshaw Trust #1, P. O. Box 22427, Lexington, KY 40522.

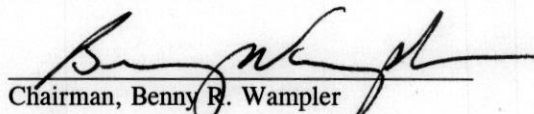
Order: The objections of Don Johnson Esquire, counsel for Fon Rogers II as Trustee for the Lon B. Rogers Bradshaw Trust #1 and as Trustee of the Lon B. Rogers Bradshaw Trust #2, referred to in subparagraphs "b" and "c" above are addressed in the revised exhibits to the attached Affidavit of Election, and the objection referred to in subparagraph "a" above is noted and preserved for the record. By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth in paragraph 2 above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328, 123 South Broad Street, Philadelphia, PA 19109-1199, Tel: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore. The respondents listed in Exhibit B-2 to the Affidavit of Elections are dismissed.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interest or claims are subject to escrow or who are hereby dismissed and whose address is known within seven (7) days from the date of receipt of this Order.


Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 28<sup>th</sup> day of February, 2002, by a majority of the Virginia Gas and Oil Board.

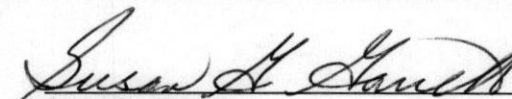
  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 6<sup>th</sup> day of March, 2002, by Order of the Board.

  
B. R. Wilson  
Director of the Division of Gas & Oil and  
Principal Executive to the Virginia Gas & Oil Board

STATE OF VIRGINIA   )  
COUNTY OF WISE:    )

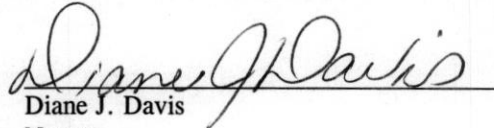
Acknowledged on this 28<sup>th</sup> day of February, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary

My commission expires July 31, 2002

STATE OF VIRGINIA           )  
COUNTY OF WASHINGTON:    )

Acknowledged on this 10<sup>th</sup> day of March, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary

My commission expires September 30, 2005

Order Recorded Under Code of  
Virginia Section 45.1-361.26

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in CBM Unit B-31  
VGOB 01-0320-0880 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF Consol Energy Inc. (herein "Designated Operator") REGARDING ELECTIONS, ESCROW  
AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by Consol Energy Inc., as a Gas Engineer and is duly authorized to make this affidavit on behalf of Consol Energy Inc., the designated operator,

That the Order entered on October 2, 2001, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on October 4, 2001;

That the designated operator Consol Energy Inc. has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of October 2, 2001;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

See attached Exhibit B-2

The Operator requests that the following persons be dismissed as Respondents:

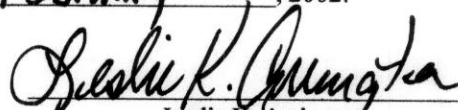
Equitable Production Company, Yukon Pocahontas Coal Company, Buchanan Coal Company and Sayers-Pocahontas Coal Company

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 21<sup>st</sup> day of February, 2002.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Gas Engineer of Consol Energy Inc., on behalf of the corporate Designated Operator, this 21<sup>st</sup> day of February, 2002.

  
Notary

My commission expires: 10/31/05.



BOOK 542 PAGE 263

N 364,564.71  
E 1,001,556.31

N 364,495.50  
E 1,003,422.39

80 ACRE UNIT

3

2

1

CBM-B31

N 362,695.05  
E 1,003,354.00

N 362,625.79  
E 1,003,354.00

EXHIBIT A  
DAKWOOD FIELD UNIT B-31  
FORCE POOLING  
VGOB-01-0320-0880

Company CONSOL Energy Inc. Well Name and Number UNIT B31  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Patterson  
County Buchanan District Garden Scale: 1" = 400' Date 1/14/01  
This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GO-7  
Rev. 9/91

Claude R. Morgan  
Licensed Professional Engineer or Licensed Land Surveyor

No. \_\_\_\_\_  
1(Affix Seal)

**CONSOL Energy Inc.**

Unit B-31

**Tract Identifications**

1. C.L. Ritter Lumber Company Tr. 29 - Coal, Oil & Gas  
 Island Creek Coal Company/Consolidation Coal Company - Below Tiller Seam Leased  
 Jewell Smokeless Coal Corp. - Tiller Seam and Above Coal Leased  
 Buchanan Production Company - CBM Leased  
 Cabot Oil & Gas Corp./Natural Resources Management Corp. - Oil & Gas Leased (?)  
 Walker Keen - Surface  
 58.08 Acres                      72.6000 %
  
2. Lon B. Rogers Bradshaw Trust No.2 - Coal (100%)  
 Reserve Coal Properties Company - P-3 Seam Leased  
 Island Creek Coal Company/Consolidation Coal Company - Coal Below Red Ash Seam Leased  
     (Except P-3 Seam)  
 Lon B. Rogers Bradshaw Trust No.1 - Oil & Gas (75%)  
 Equitable Production Company/Eastern States - Oil & Gas Leased (75%)  
 Equitable Production Company - CBM Leased (75%) - To Buchanan Production Company  
     by Agreement  
 Pamela Poulos, et al. - Oil & Gas (25%)  
 21.85 Acres                      27.3125 %
  
- 2A. Walker Keen - Surface
- 2B. Unknown Surface Owner
  
3. Yukon Pocahontas Coal Co./Buchanan Coal Co./Sayers Pocahontas Coal Co. - Coal, Oil & Gas (2/3)  
 Plum Creek Timberland, LP, - Coal, Oil & Gas (1/3)  
 Island Creek Coal Company/Consolidation Coal Company - Coal Below Tiller Seam Leased  
 Jewell Smokeless Coal Corp. - Tiller and Above Coal Leased  
 Cabot Oil & Gas Corp./Eastern American Energy Corp. - Oil & Gas Leased (?)  
 Buchanan Production Company - CBM Leased (2/3)  
 GeoMet, Inc./Highland Resources, Inc. - CBM Leased (1/3)  
 Unknown Surface Owner  
 0.07 Acres                      0.0875 %

## List of Respondents to be Dismissed

	Acres in Unit	Percent of Unit	Reason for Dismissal
<b><u>Tract #2, 21.85 Acres</u></b>			
<b><u>CBM LEASEHOLD OWNERSHIP</u></b>			
(1) Equitable Production Company Cloverleaf Square #B Big Stone Gap, VA 24219			BPC by Agreement
<b><u>Tract #3, 0.07 Acres</u></b>			
<b><u>COAL FEE OWNERSHIP</u></b>			
(1) Yukon Pocahontas Coal Company et al., Tr. 34-2	0.07 acres	0.0875%	
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.035 acres 1/2 of 0.07 acres	0.0438%	Leased
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.008 acres 1/9 of 0.07 acres	0.0097%	Leased
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.004 acres 1/18 of 0.07 acres	0.0049%	Leased
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>			
(1) Yukon Pocahontas Coal Company et al., Tr. 34-2	0.07 acres	0.0875%	
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.035 acres 1/2 of 0.07 acres	0.0438%	Leased
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.008 acres 1/9 of 0.07 acres	0.0097%	Leased
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.004 acres 1/18 of 0.07 acres	0.0049%	Leased



## List of Unleased Owners/Claimants

	Acres in Unit	Percent of Unit
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(g) Derek B. & Anne Rogers  
2001 Sablewood Drive  
Charlotte, NC 28205

**Tract #3, 0.07 Acres**

(1) Yukon Pocahontas Coal Company et al., Tr. 34-2	0.07 acres	0.0875%
(d) Plum Creek Timberland, L.P. Plum Creek Natural Resources Department 100 Peachtree Street, NW, Suite 2650 Atlanta, GA 30303 (formerly North American Timber Corporation)	0.02 acres 1/3 of 0.07 acres	0.0292%

\* The CBM interest leased by Equitable Production Company by agreement is now BPC.